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GOVERNOR SAYS WHITE HOUSE LETTER DOESN'T ANSWER GAS PRICE QUESTIONS

PHOENIX – On February 25th, when Governor Janet Napolitano wrote to President Bush asking for an inquiry into soaring gas prices, Arizona's average price-per-gallon was \$1.89.

Today, Arizona's average gas price set a new record at \$2.11 per gallon. Also today, a White House response—dated April 30th—arrived on the Governor's desk.

“While I appreciate finally hearing from the White House, this is basically just an itemized list of what we already knew,” said Governor Napolitano. “In the ten weeks since I sent my letter, we have no new answers, another spike in gas prices and no immediate end to the spiraling prices in sight.”

In the February letter, the Governor asked the Federal government to “conduct a prompt and thorough inquiry” into gas price increases, and to urge a “complete and credible explanation from the petroleum industry as to why prices have risen so significantly in the last several weeks.” Ten other governors signed onto a joint letter dated April 7 raising the same concerns.

In the White House response, an assistant to the President mentioned factors including low product inventories, higher demand and limited refinery capacity as contributors to higher pump prices. Although the letter mentions that, if a violation of anti-trust laws were discovered, the Federal Trade Commission would investigate, it offers no strategy for inquiry and answers.

“Again, I would say we already know about those factors mentioned in the White House letter – they are standard parts of the gas price equation. What is incredible to me is that, at a time when the oil industry is reporting billions in profit, we can't get anything better than the standard answers,” said the Governor. “States are limited in what we can do to bring prices down. This is a Federal issue. But here in Arizona, I've directed my staff to explore any and all options to bring price relief to our citizens.”

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To move quickly toward real answers, representatives of the Governor's Office will be in contact with governors in other states, reviewing options that may be available, including regional blends of gasoline that would meet federal requirements in several states.

A copy of the Governor's letter of February 25th, and the White House response, is attached.